

acquire the property. These agreements shall be prepared after consulting with OGC, and forwarded for prior approval by the FmHA or its successor agency under Public Law 103-354 National Office.

(3) All funds from real property transfers received by FmHA or its successor agency under Public Law 103-354 shall be deposited in the U.S. Treasury.

(b) Transfer of real property acquired and/or developed with grant funds from a grant made under this subpart to a person.

(1) Real property acquired and/or developed under this subpart may be transferred to a person for the purposes of construction of privately-owned housing.

(2) All transfers of real property to a person must be approved by the FmHA or its successor agency under Public Law 103-354 State Director of the appropriate State.

(3) Transfer of real property by a recipient of assistance under this subpart to a person must be by contract which: acknowledges the use of funds provided under this subpart to acquire or develop the site; specifies the date of performance prior to delivery of the deed; provides for FmHA or its successor agency under Public Law 103-354 concurrence before changes or modifications; and assures FmHA or its successor agency under Public Law 103-354 that the real property will be used for the purposes under which the grant was made.

(4) Proceeds derived from the sale of land acquired or developed through the use of a grant provided under this subpart must be divided between the grantee and Rural Development on a pro rata basis. A grantee may not recover its cost from sale proceeds to the exclusion of Rural Development. The amount to be returned to Rural Development is to be computed by applying the percentage of the Rural Development grant participation in the total cost of the project to the proceeds from the sale.

(5) All funds received by FmHA or its successor agency under Public Law 103-

354 from real property transfers shall be deposited in the U.S. Treasury.

(42 U.S.C. 8401; delegation of authority by the Secretary of Agriculture, 7 CFR 2.23; delegation of authority by the Assistant Secretary for Rural Development, 7 CFR 2.70)

[44 FR 35984, June 19, 1979, as amended at 46 FR 33022, June 26, 1981; 56 FR 28038, June 19, 1991; 68 FR 61331, Oct. 28, 2003]

§ 1948.91 Inspections of development.

Inspections will be made by the FmHA or its successor agency under Public Law 103-354 State Engineer or other employee designated by the FmHA or its successor agency under Public Law 103-354 State Director to ascertain whether site development is proceeding in accordance with plans and specifications. Such inspections are solely for the benefit of the Government and not for the benefit of the Grantee or any other person.

§ 1948.92 Grant approval and fund obligation.

(a) The FmHA or its successor agency under Public Law 103-354 State Office shall review the docket to determine whether the proposed grant complies with this subpart and that funds are available.

(b) The FmHA or its successor agency under Public Law 103-354 State Director shall be the approving officer on all grants made under this subpart.

(c) If at any time prior to grant approval it is decided that favorable action will not be taken on a preapplication or application, the FmHA or its successor agency under Public Law 103-354 State Director will notify the applicant in writing of the reasons why the request was not favorably considered. The notification to the applicant will state that a review of this decision by FmHA or its successor agency under Public Law 103-354 may be requested by the applicant in accordance with FmHA Instruction 1900-B.

(d) If a grant is recommended, Form FmHA or its successor agency under Public Law 103-354 440-1 and the proposed grant agreement and scope of work will be prepared and forwarded to the applicant for signature.